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Energy and Telecommunications Interim Committee

64th Montana Legislature

SENATE MEMBERS

CLIFF LARSEN--Vice Chair
DUANE ANKNEY
PAT CONNELL
ROBYN DRISCOLL

HOUSE MEMBERS

KEITH REGIER--Chair
CHRISTOPHER POPE
TOM STEENBERG
DANIEL ZOLNIKOV

COMMITTEE STAFF

SONJA NOWAKOWSKI, Lead Staff
TODD EVERTS, Staff Attorney
NADINE SPENCER, Secretary

MINUTES LOG

September 8, 2016
Room 172, Capitol Building
Helena, Montana

Please note: This document is a Minutes Log and provides a notation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video record of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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Please contact the Legislative Services Division at 406-444-3064 for more information.

COMMITTEE MEMBERS PRESENT

REP. KEITH REGIER, Chair
SEN. CLIFF LARSEN, Vice Chair

SEN. DUANE ANKNEY
SEN. PAT CONNELL
SEN. JIM KEANE, via phone

REP. CHRISTOPHER POPE
REP. TOM STEENBERG
REP. DANIEL ZOLNIKOV

ENERGY &
TELECOMMUNICATIONS
INTERIM COMMITTEE 2017-2018

July 31, 2017

Exhibit 9

STAFF PRESENT

SONJA NOWAKOWSKI, Lead Staff
TODD EVERTS, Staff Attorney
NADINE SPENCER, Secretary

AGENDA (Attachment 1)

VISITORS' LIST (Attachment 2)

COMMITTEE ACTIONS

The Energy and Telecommunications Interim Committee (ETIC):

- Voted to approve the minutes log from July 14-15;
- Voted 8-0 to pre-introduce LCNET1 as a committee bill;
- Voted 8-0 to pre-introduce LCNET2 as a committee bill;
- Voted 8-0 to pre-introduce LCNET3 as a committee bill;
- Voted 8-0 to strike everything except section 7 and pre-introduce LCNET4 as a committee bill;
- Voted 6-2 to pre-introduce LCNET 5, as amended, as a committee bill;
- Voted 8-0 to approve the Net Metering in Montana draft report;
- Voted 8-0 to pre-introduce LCREC1 as a committee bill;
- Voted 6-2 to pre-introduce LCREC2 as a committee bill.

CALL TO ORDER AND ROLL CALL

00:00:01 Rep. Regier called the meeting to order at 1:02 p.m. The secretary called the roll. (Attachment 3)

00:00:40 Rep. Regier said that Sen. Driscoll has resigned as senator and has been replaced by Sen. Keane.

00:01:02 Sen. Keane said he is glad to join the committee.

00:01:15 Rep. Regier discussed the agenda.

ADMINISTRATIVE MATTERS

Adoption of July meeting minutes

00:01:57 **Motion/Vote:** Sen. Ankney moved to adopt the July 14-15 minutes log. The motion carried unanimously by voice vote.

Budget Update

00:02:16 Sonja Nowakowski, research analyst, Legislative Services Division, said there is approximately \$8,000 remaining in the ETIC budget.

Staff Evaluations

00:02:39 Rep. Regier said staff evaluations were included in the ETIC mailing.

00:02:47 Ms. Nowakowski requested that the evaluations be returned by the end of the meeting tomorrow.

SJ 12: LEGISLATION, DRAFT REPORT, AND PUBLIC COMMENT

- 00:03:32 Ms. Nowakowski said that at the July meeting the ETIC requested that five bills be drafted to update portions of Montana's framework for net metering and that the committee agreed to a net metering report.
- 00:04:08 Ms. Nowakowski said that the bill drafts and report went out for public comment and the comments are posted on the committee's website. **(Exhibit 1)**

LCNET1 — Require PSC review of interconnection

- 00:05:13 Ms. Nowakowski presented an overview of LCNET1. **(Exhibit 2)** Ms.
- 00:07:28 Nowakowski discussed the public comments that were received.

Public Comment:

- 00:08:31 John Alke, NorthWestern Energy, said that NorthWestern Energy supports the concepts in LCNET1, and that NorthWestern is progressing farther than what the statute would require.
- 00:11:11 Ben Brouwer, policy director, Montana Renewable Energy Association (MREA), discussed the bill.
- 00:12:23 Bill Ryan, IBEW Local 44, said that the IBEW supports the bill.

Committee Questions and Discussion:

- 00:13:16 Sen. Larsen
- 00:13:30 Ms. Nowakowski
- 00:13:47 Rep. Regier
- 00:14:11 Ms. Nowakowski

- 00:14:56 **Motion/Vote:** Rep. Pope moved to pre-introduce LCNET1 as a committee bill. The motion carried unanimously by voice vote. Sen. Connell will sponsor the bill.

LCNET2 — Eliminate electrical licensing exemption for grid-tied generators

- 00:16:10 Ms. Nowakowski presented an overview of LCNET2. **(Exhibit 3)** Ms.
- 00:17:13 Nowakowski discussed the public comments that were received.

Public Comment:

The following individuals said they support LCNET2.

- 00:17:43 Mr. Alke
- 00:18:03 Keith Allen, IBEW, local 233.

Committee Questions and Discussion:

- 00:18:52 Sen. Connell
- 00:19:22 Mr. Allen
- 00:19:23 Sen. Connell
- 00:19:41 Mr. Allen

- 00:19:56 **Motion/Vote:** Sen. Connell moved to pre-introduce LCNET2 as a committee bill. The motion carried unanimously by voice vote. Sen. Ankney will sponsor the bill.

LCNET3 — Update PSC's role in reviewing net metering technologies

- 00:20:28 Ms. Nowakowski presented an overview of LCNET3. **(Exhibit 4)**

00:21:16 Ms. Nowakowski discussed the public comments that were received.

Public Comment:

00:22:09 Mr. Alke said that NorthWestern Energy supports LCNET3.

00:22:32 Mr. Brouwer said that MREA would like to see LCNET3 applied more broadly.

Committee Questions and Discussion:

00:24:00 Sen. Connell

00:25:12 Ms. Nowakowski

00:25:52 Rep. Pope

00:26:35 Mr. Brouwer

00:27:40 Rep. Pope

00:28:08 Mr. Brouwer

00:28:14 Sen. Connell

00:29:00 Rep. Regier

00:29:10 Mr. Brouwer

00:30:02 Rep. Regier

00:30:07 Mr. Brouwer

00:30:58 Rep. Regier

00:31:12 Sen. Keane

00:32:02 Rep. Pope

00:32:39 Sen. Connell

00:33:14 **Motion/Vote:** Sen. Connell moved to pre-introduce LCNET3 as a committee bill. The motion carried unanimously by voice vote. Sen. Connell will sponsor the bill.

LCNET4 — Require PSC review of net metering rates under certain circumstances

00:33:50 Ms. Nowakowski presented an overview of LCNET4. (Exhibit 5)

00:35:52 Ms. Nowakowski discussed the public comments that were received.

Public Comment:

00:37:20 Mr. Alke discussed the grandfather provision in section 7 and presented a suggestion regarding the metering requirement. He said that NorthWestern Energy supports section 7, but is opposed to the rest of the bill.

00:46:06 Mr. Brouwer discussed the bill and presented a series of amendments that MREA recommends to clean up language that is inconsistent in the bill.

00:50:28 John Palm, owner, Bozeman Green Build, Belgrade, said he supports the grandfather provision in the bill.

00:52:45 Brad Van Wert, co-owner, Harvest Solar, Bozeman, discussed the grandfather clause.

00:54:25 Jeff Fox, Montana policy manager, Renewable Northwest, said that Renewable Northwest supports the bill.

Committee Questions and Discussion:

00:57:24 Rep. Pope

00:58:37 Mr. Alke

01:02:54 Rep. Pope

01:04:25 Mr. Alke

01:07:01	Sen. Connell
01:07:21	Mr. Alke
01:07:33	Sen. Connell
01:07:51	Mr. Alke
01:08:33	Sen. Connell
01:13:55	Rep. Zolnikov
01:14:47	Sen. Ankney
01:17:03	Mr. Brouwer
01:17:58	Rep. Pope
01:21:12	Sen. Keane
01:22:30	Rep. Steenberg
01:24:49	Rep. Zolnikov
01:26:16	Sen. Larsen
01:27:20	Rep. Regier
01:27:29	Mr. Alke
01:27:59	Rep. Regier
01:28:26	Mr. Palm
01:29:22	Rep. Regier
01:29:36	Mr. Palm
01:29:40	Sen. Connell
01:30:22	Gary Wiens, Montana Electric Cooperatives Association
01:30:58	Rep. Regier
01:31:00	Mr. Weins
01:31:09	Rep. Regier
01:32:26	Mr. Alke
01:33:22	Rep. Pope
01:33:40	Ms. Nowakowski
01:34:03	Motion: Rep. Zolnikov moved to strike everything except section 7 and to pre-introduce LCNET4 as only section 7 as a committee bill.

Discussion:

01:34:18	Ms. Nowakowski
01:35:03	Rep. Regier
01:35:29	Mr. Alke
01:36:22	Rep. Regier
01:36:28	Rep. Zolnikov
01:36:37	Mr. Alke
01:37:57	Sen. Larsen
01:38:14	Mr. Alke
01:39:31	Sen. Larsen
01:39:55	Mr. Brouwer
01:41:08	Sen. Larsen
01:41:43	Sen. Connell
01:44:04	Ms. Nowakowski
01:44:14	Sen. Connell
01:44:22	Ms. Nowakowski
01:44:46	Sen. Ankney

01:44:53 Rep. Regier
01:45:20 Rep. Pope

01:45:38 **Vote:** The motion carried unanimously by roll call vote. Rep. Zolnikov will sponsor the bill and Sen. Keane will be the back-up. (**Attachment 4**)

01:46:28 **Motion/Vote:** Rep. Pope moved to pre-introduce the entire content of LCNET4 as a committee bill. The motion failed 2-6 by roll call vote. Rep. Pope and Rep. Steenberg voted aye. (**Attachment 5**)

LCNET5 — Increase net metering cap for tax-exempt properties

01:48:37 Ms. Nowakowski presented an overview of LCNET5. (**Exhibit 6**) Ms.
01:49:46 Nowakowski discussed the public comments that were received.

Public Comment:

01:50:32 Mr. Brouwer said that MREA supports a higher net metering cap.
01:53:01 Mr. Alke said that Northwestern Energy does not support LCNET5.
01:56:59 Mr. Fox said Renewable Northwest supports the bill.
01:58:11 Mr. Palm said he supports raising the net metering cap to 250 kilowatts.
02:00:30 Mr. Van Wert said he supports the bill.

Committee Questions and Discussion:

02:02:03 Sen. Larsen
02:02:32 Ms. Nowkowski
02:02:50 Sen. Larsen
02:03:00 Ms. Nowakowski
02:03:15 Sen. Larsen
02:03:27 Sen. Connell
02:04:13 Ms. Nowakowski
02:04:37 Rep. Regier
02:04:56 Mr. Brouwer
02:05:08 Rep. Regier
02:05:18 Mr. Brouwer
02:05:49 Rep. Regier
02:05:57 Mr. Brouwer

02:06:03 **Motion:** Sen. Larsen moved to amend LCNET5 to limit the 250 kilowatt cap to government entities including cities, counties, school districts, state agencies, university systems, tribal government, and federal government entities.

Discussion:

02:07:09 Ms. Nowakowski
02:07:16 Sen. Larsen restated his motion.
02:07:45 Todd Everts, staff attorney, Legislative Services Division.

02:08:21 **Motion:** Sen. Larsen moved to pre-introduce LCNET 5 as a committee bill and to amend LCNET 5.

Discussion:

02:08:43 Rep. Regier
02:08:48 Sen. Larsen
02:08:59 Ms. Nowakowski
02:09:21 Sen. Larsen
02:09:36 Rep. Pope
02:10:05 Rep. Regier

02:10:26 **Vote:** The motion carried 6-2 by roll call vote. Sen. Connell and Rep. Regier voted no. Rep. Pope will carry the bill and Sen. Keane will be the back-up. (Attachment 6)

Net Metering in Montana — A Report to the 65th Legislature.

02:11:58 Ms. Nowakowski presented an overview of the net metering draft report. (Exhibit 7)
02:13:03 Ms. Nowakowski discussed the public comments that were received.

Public Comment:

02:13:32 Mr. Brouwer discussed the draft report.

Committee Questions and Discussion: None

02:14:13 **Motion/Vote:** Rep. Regier moved to approve the draft report. The motion carried unanimously by voice vote.

RENEWABLE ENERGY CREDIT REPORTS (69-3-2009, MCA) - LCREC1

02:15:16 Sen. Keane discussed LCREC1 — repeal renewable energy credit reporting requirements. (Exhibit 8)
02:17:12 Ms. Nowakowski said that no public comments were received on LCREC1.

Public Comment:

02:17:35 Mr. Fox said Renewable Northwest supports the bill, and he is available to answer any questions.

Committee Questions and Discussion:

02:19:04 Rep. Pope
02:19:56 Sen. Keane

02:21:01 **Motion/Vote:** Sen. Keane moved to pre-introduce LCREC1 as a committee bill. The motion carried unanimously by voice vote. Sen. Keane will carry the bill.

02:22:11 Recess

Sen. Keane left the meeting and gave his proxy to Sen. Larsen. (Attachment 7)

EDUCATION SUPER HIGHWAY

Joint hearing with the Education and Local Government Interim Committee in room 102.

03:15:18 Reconvene

MONTANA ONE-CALL LAWS AND FEDERAL COMPLIANCE

03:15:58 Dale Schultz, president, Montana Utility Coordinating Council, provided an update on Montana one-call laws. **(Exhibit 9)**

03:16:42 Mr. Schultz discussed the federal notice that was received from the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA), regarding the adequacy evaluation of Montana's enforcement of its one-call laws. **(Exhibit 10)**

03:19:59 Mr. Schultz said that PHMSA provided information on its intentions and the rules regarding its authority. **(Exhibit 11)**

03:20:12 Mr. Schultz provided an update from the Safe Excavation Law Study Group. **(Exhibit 12)**

03:27:32 Mr. Schultz said he provided a copy of the consensus items to date **(Exhibit 13)** and a list of the meeting participants. **(Exhibit 14)**

Public Comment: None

Committee Questions and Discussion:

03:28:09 Rep. Regier asked Mr. Schultz about working within PHMSA's parameters and its definition of "adequate" in the enforcement of Montana's excavation damage prevention law.

03:29:02 Rep. Regier asked Mr. Schultz if PHMSA would allow fines to be lowered. Mr. Schultz said it would.

03:29:16 Rep. Regier asked Mr. Schultz about the need for legislation.

RENEWABLE ENERGY CREDIT REPORTS (69-3-2009, MCA) - LCREC2

03:30:07 Ms. Nowakowski discussed LCREC2 — request an interim study of renewable energy credits in Montana. **(Exhibit 15)**

Public Comment: None

Committee Questions and Discussion:

03:31:02 Rep. Pope

03:32:14 Sen. Connell

03:33:22 Sen. Larsen

03:34:07 Rep. Pope

03:35:52 Sen. Connell

03:37:11 **Motion/Vote:** Rep Pope moved to pre-introduce LCREC2 as a committee bill. The motion carried 6-2 by voice vote. Sen. Ankney and Sen. Keane voted no. Sen. Keane voted no by proxy. Rep. Pope will sponsor the bill and Sen. Connell will be the back-up.

STATUTORY ADMINISTRATIVE RULE REVIEW

03:38:21 Mr. Everts said there were no statutory rules to report.

Public Comment: None

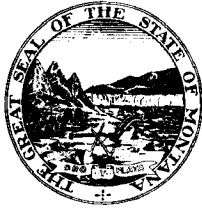
Committee Questions and Discussion: None

PUBLIC COMMENT ON MATTERS WITHIN THE JURISDICTION OF THE ETIC
None

RECESS

03:39:53 Rep. Regier recessed the meeting at 4:42 p.m.

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MINUTES LOG

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COMMITTEE MEMBERS PRESENT

REP. KEITH REGIER, Chair
SEN. CLIFF LARSEN, Vice Chair

SEN. DUANE ANKNEY
SEN. PAT CONNELL
SEN. JIM KEANE, via phone

REP. CHRISTOPHER POPE
REP. TOM STEENBERG
REP. DANIEL ZOLNIKOV

STAFF PRESENT

SONJA NOWAKOWSKI, Lead Staff
TODD EVERTS, Staff Attorney
NADINE SPENCER, Secretary

AGENDA (Attachment 1)

VISITORS' LIST (Attachment 2)

COMMITTEE ACTIONS

The Energy and Telecommunications Interim Committee (ETIC):

- Voted to pre-introduce LCCOL1, as amended, as a committee bill;
- Voted to pre-introduce LCCOL2, as amended, as a committee bill;
- Voted to pre-introduce LCCOL3, as amended, as a committee bill;
- Voted to pre-introduce LCCOL5 as a committee bill;
- Voted to pre-introduce LCCOL6 as a committee bill;
- Voted to pre-introduce LCN911 as a committee bill;
- Voted to approve the HJ 7 draft report;
- Agreed to continue to receive the high-performance building program update required under HB 464.

CALL TO ORDER AND ROLL CALL

00:00:01 Rep. Regier called the meeting to order at 7:48 a.m. The secretary called the roll. (Attachment 3)

HOT ROCK ENERGY - COLSTRIP AND GEOTHERMAL

00:00:44 Susan Petty, managing director, Hotrock Energy Research Organization and president and chief technology officer, AltaRock Energy, gave a PowerPoint presentation on geothermal power generation at Colstrip Generating Station. (Exhibit 1)

Public Comment: None

Committee Questions and Discussion:

00:22:20 Rep. Pope asked Ms. Petty about economic impacts beyond the production of power.

00:24:37 Rep. Regier asked Ms. Petty about the average number of gallons of water per well being used.

00:25:20 Rep. Regier asked about the cost for geothermal energy. Ms. Petty said it is \$44 a megawatt hour and that advanced technology geothermal energy (EGS) is \$60-80 a megawatt hour.

00:26:31 Sen. Larsen asked Ms. Petty about the number of injection wells in the U.S.

00:27:50 Sen. Larsen asked Ms. Petty how many of the active injection wells are generating electricity in commercial markets.

00:29:11 Sen. Connell asked Ms. Petty how long the geothermal power plants have been on-line. Ms. Petty said that the first one went on line in the U.S. in 1962.

00:30:57 Sen. Connell asked Ms. Petty if there has been any opposition to the permitting process for recent projects.

COLSTRIP AOC SETTLEMENT

00:34:04 Aimee Reynolds, risk assessor and supervisor, Waste Management and Remediation Division, Department of Environmental Quality (DEQ), provided an update and gave a PowerPoint presentation on the Administrative Order on Consent (AOC) between the DEQ and Talen Energy to address pond seepage at Colstrip power plant. **(Exhibit 2)**

00:41:55 Ms. Reynolds discussed the AOC process.

00:44:55 Ms. Reynolds discussed the coal combustion residual rule.

00:47:11 Ms. Reynolds discussed the federal settlement agreement.

00:47:51 Ms. Reynolds discussed the AOC settlement agreement.

Public Comment: None

Committee Questions and Discussion:

00:49:57 Rep. Pope asked Ms. Reynolds about the \$7.5 million bond and what it covers.

00:51:01 Rep. Pope asked Ms. Reynolds about the liquidity of the entities that will be cleaning up the site and if there are any federal funds to help subsidize the cost.

00:53:05 Recess

00:58:24 Reconvene

Sen. Keane joined the meeting via phone.

COLSTRIP LEGISLATIVE PROPOSALS

00:58:43 Ms. Nowakowski said at its July meeting the ETIC requested that staff work with Sen. Ankney on draft legislation to assist the state of Montana in planning for the pending partial closures of Colstrip generating station.

01:00:12 Ms. Nowakowski said that seven bill draft proposals were put out for public comment and the comments are posted on the ETIC website. **(Exhibit 3)**

LCCOL1 — Appropriate money to allow Montana to participate in proceedings before out-of-state utility commissions.

01:01:43 Ms. Nowakowski presented an overview of LCCOL1. **(Exhibit 4)**

01:04:39 Ms. Nowakowski discussed the public comments that were received.

01:05:11 Ms. Nowakowski said staff worked with Rep. Pope on an amendment that expands the bill and appropriates \$30,000 to the Governor's office for a stakeholders group.

Public Comment:

01:06:21 Britt Ide, president, Ide Energy and Strategy, said she supports LCCOL1 and encouraged the ETIC to consider the appropriation for a stakeholder group.

01:07:41 Chuck Dalby, geologist, Helena, said he helped to construct Colstrip Units 1 and 2 and supports all of the bills except for LCCOL7.

- 01:13:36 John Williams, mayor, city of Colstrip, commented on all of the legislative proposals and said the city supports the efforts of the ETIC regarding energy development in Colstrip, Rosebud County, and the state.
- 01:19:37 Jim Atchison, executive director, Southeast Montana Development Corporation (SEMDC), Colstrip, said SEMDC supports all of the seven bill drafts. Also speaking for Steve Arveschoug, executive director, Big Sky Economic Development, Billings.

The following individuals spoke in support of LCCOL1:

- 01:21:19 Anne Hedges, Montana Environmental Information Center (MEIC).
- 01:23:13 Chris Cavazos, Montana AFL-CIO.

Committee Questions and Discussion:

- 01:23:49 Sen. Ankney
- 01:25:06 **Motion:** Sen. Ankney moved to pre-introduce LCCOL1 as a committee bill.

Discussion:

- 01:25:26 Rep. Pope discussed his amendment. **(Exhibit 5)**
- 01:28:57 Rep. Regier
- 01:29:04 Ms. Nowakowski
- 01:29:17 Rep. Regier
- 01:29:22 **Motion:** Rep. Pope moved that LCCOL 1 be amended.

Discussion:

- 01:29:37 Rep. Regier
- 01:29:48 Sen. Ankney
- 01:30:31 Rep. Regier
- 01:30:37 Sen. Ankney
- 01:31:10 Sen. Connell
- 01:31:49 Ms. Nowakowski
- 01:32:36 Rep. Regier
- 01:32:40 Sen. Keane
- 01:32:50 **Vote:** The motion carried unanimously by voice vote.
- 01:33:07 **Motion/Vote:** Sen. Ankney moved to pre-introduce LCCOL1, as amended, as a committee bill. The motion carried unanimously by voice vote. Sen. Keane will sponsor the bill.

LCCOL 2 — Establish the Coal-Fired Generating Unit Decommissioning and Remediation Act.

- 01:35:44 Ms. Nowakowski presented an overview of LCCOL2. **(Exhibit 6)**
- 01:40:29 Ms. Nowakowski discussed the public comments that were received.

Public Comment:

- 01:41:43 Ms. Hedges said that MEIC does not support LCCOL2 in its current form.

01:43:23 Mr. Cavazos said that the AFL-CIO supports LCCOL2.

Committee Questions and Discussion:

01:44:18 Rep. Zolnikov

01:45:20 Sen. Ankney provided copies of amendments from the DEQ. **(Exhibit 7)**

01:46:41 **Motion:** Sen. Ankney moved that LCCOL 2 be pre-introduced as a committee bill.

Discussion:

01:47:03 Rep. Regier

01:47:08 Ms. Nowakowski

01:47:20 Sen. Ankney

01:47:34 Ms. Reynolds

01:48:43 Sen. Larsen

01:49:22 Ms. Reynolds

01:49:43 Rep. Regier

01:50:00 Ms. Reynolds

01:50:48 Rep. Regier

01:50:51 Sen. Ankney

01:51:31 **Motion:** Sen. Ankney moved that LCCOL2 be amended.

Discussion:

01:51:54 Sen. Connell

01:53:00 Rep. Steenberg

01:53:25 **Vote:** The motion carried unanimously by voice vote.

01:53:42 **Motion/Vote:** Rep. Regier moved to pre-introduce LCCOL2, as amended, as a committee bill. The motion carried unanimously by voice vote. Sen. Ankney will sponsor the bill.

LCCOL3 — Establish the Treasure State Restore and Rebuild Act.

LCCOL4 — Increase the electrical energy producer's license tax.

01:55:17 Ms. Nowakowski said that Sen. Ankney requested that both bills be presented together.

01:55:41 Ms. Nowakowski presented an overview of LCCOL3. **(Exhibit 8)**

01:58:18 Ms. Nowakowski presented an overview of LCCOL4. **(Exhibit 9)**

01:59:18 Ms. Nowakowski discussed the public comments that were received.

Public Comment:

The following individuals spoke against LCCOL3:

02:00:49 Ms. Hedges

02:03:35 Neal Ullman, Montana Conservation Voters

Committee Questions and Discussion on LCCOL3:

02:07:12 Sen. Ankney

02:08:29 **Motion:** Sen. Ankney moved to pre-introduce LCCOL3 as a committee bill.

02:08:39 **Motion:** Sen. Ankney moved that LCCOL3 be amended. **(Exhibit 10)**

Discussion:

02:08:52 Sen. Ankney

02:12:04 Rep. Pope

02:12:15 Sen. Ankney

02:12:34 Rep. Regier

02:13:00 Sen. Ankney

02:13:12 Rep. Pope

02:14:54 Jeff Fox, Montana policy manager, Renewable Northwest.

02:16:14 Sen. Ankney

02:17:07 Rep. Pope

02:19:17 Sen. Ankney

02:20:18 Sen. Keane

02:22:24 Sen. Larsen

02:24:19 Rep. Pope

02:26:31 Sen. Ankney

02:31:25 **Vote:** The motion carried unanimously by voice vote.

02:31:38 **Motion/Vote:** Sen. Ankney moved to pre-introduce LCCOL3, as amended, as a committee bill. The motion carried unanimously by voice vote. Sen. Keane will sponsor the bill.

Rep. Zolnikov left the meeting.

LCCOL 5 — Establish the Montana Energy Accountability Act.

02:32:49 Ms. Nowakowski presented an overview of LCCOL5. **(Exhibit 11)**

02:34:40 Ms. Nowakowski discussed the public comments that were received.

Public Comment:

The following individuals spoke against LCCOL5:

02:35:51 Tom Ebzery, attorney, representing Puget Sound Energy, Avista Corporation, and Portland General Electric.

02:43:25 Ms. Hedges

02:47:57 Mr. Cavazos said that the AFL-CIO supports the bill.

02:49:22 Harold Blattie, executive director, Montana Association of Counties (MACo), said he was contacted by Rep. Geraldine Custer, HD 39, and was asked to review the bill and provide comments. **(Exhibit 12)** He said MACo does not yet have a position on the bill.

02:58:09 Bob Story, Montana Taxpayers Association, said that the association does not support the bill.

Committee Questions and Discussion:

03:00:46 Sen. Connell
03:05:07 Sen. Larsen
03:06:23 Mr. Ebzery
03:07:24 Sen. Larsen
03:08:36 Mr. Ebzery
03:10:13 Sen. Larsen

03:13:11 **Motion:** Sen. Ankney moved to pre-introduce LCCOL5 as a committee bill.

Discussion:

03:13:24 Sen. Ankney
03:19:09 Rep. Pope
03:22:36 Rep. Steenberg
03:23:28 Mr. Ebzery
03:24:08 Rep. Steenberg
03:24:17 Mr. Ebzery
03:24:59 Sen. Ankney
03:25:51 Sen. Keane

03:29:16 **Vote:** The motion carried 5-2 by roll call vote. Rep. Pope and Rep. Steenberg voted no. Rep. Zolnikov was absent. Sen. Ankney will sponsor the bill.
(Attachment 4)

03:30:05 Recess
03:41:24 Reconvene

LCCOL6 — Establish a benefits and retirement security task force in the Governor's Office.

03:41:37 Ms. Nowakowski presented an overview of LCCOL6. **(Exhibit 13)**
03:42:54 Ms. Nowakowski discussed the public comments that were received.

Public Comment:

The following individuals spoke in support of LCCOL6:

03:43:58 Ms. Hedges
03:44:52 Mr. Cavazos

Committee Questions and Discussion:

03:45:55 Rep. Regier
03:46:20 Sen. Ankney
03:46:28 Rep. Regier
03:46:34 Ms. Nowakowski
03:46:53 Rep. Regier

03:47:07 **Motion/Vote:** Sen. Ankney moved to pre-introduce LCCOL6 as a committee bill. The motion carried 7-0 by roll call vote. Rep. Zolnikov was absent. Sen. Keane will sponsor the bill. **(Attachment 5)**

LCCOL7 — Revise USB laws to allow large customers to pay for transitioning energy markets.

03:48:27 Ms. Nowakowski presented an overview of LCCOL7. **(Exhibit 14)**

03:50:27 Ms. Nowakowski discussed the public comments that were received.

Public Comment:

03:51:15 Diego Rivas, senior policy associate, Northwest Energy Coalition, discussed the comments submitted by NW Energy Coalition and said it opposes the bill.

Committee Questions and Discussion:

03:59:11 Sen. Ankney

04:01:31 Rep. Zolnikov returned to the meeting.

04:02:43 **Motion:** Sen. Ankney moved to pre-introduce LCCOL7 as a committee bill.

Discussion:

04:02:50 Rep. Pope

04:05:27 Rep. Steenberg

04:06:23 Sen. Keane

04:07:45 Rep. Pope

04:08:43 Sen. Ankney

04:11:12 Sen. Connell

04:12:23 Sen. Ankney

04:13:21 **Vote:** The motion failed 4-4 by roll call vote. Sen. Ankney, Sen. Connell, Sen. Keane and Rep. Regier voted yes. **(Attachment 6)**

04:14:38 Sen. Keane left the meeting.

HJ 7: NEXT GENERATION 9-1-1

04:14:53 Quinn Ness, Public Safety Communications Bureau chief, State Information Technology Services Division, Department of Administration, said that the 9-1-1 Advisory Council recommends that LCN911 move forward as a committee bill.

04:16:32 Ms. Nowakowski said at its July meeting the ETIC requested that the amendments provided by the 9-1-1 stakeholders be incorporated into the draft legislation to update Montana's 9-1-1 laws and that the draft report be revised to reflect the changes.

04:17:00 Ms. Nowakowski discussed the public comment that was received on the revised report and draft legislation. **(Exhibit 15)**

04:17:35 Ms. Nowakowski presented an overview LCN911. **(Exhibit 16)**

Public Comment:

04:19:53 Shantil Siaperas, MACo, thanked everyone involved in drafting the legislation and said MACo supports the bill.

Committee Questions and Discussion:

04:20:46 Rep. Regier
04:21:03 Ms. Nowakowski
04:21:13 Rep. Regier
04:21:27 Ms. Nowakowski

04:22:44 **Motion:** Rep. Steenberg moved to pre-introduce LCN911 as a committee bill.

Discussion:

04:22:56 Rep. Steenberg

04:23:48 **Vote:** The motion carried unanimously by voice vote. Sen. Keane was excused. Sen. Ankney will sponsor the bill.

HJ 7 draft report

04:24:51 Ms. Nowakowski provided an overview of the draft report and said no public comment was received. **(Exhibit 17)**

Public Comment: None

Committee Questions and Discussion: None

04:25:41 **Motion/Vote:** Rep. Steenberg moved to approve the HJ 7 draft report. The motion carried unanimously by voice vote. Sen. Keane was excused.

04:26:45 Recess for lunch at 12:14 p.m.

05:23:01 Reconvene

PUBLIC SERVICE COMMISSION OVERVIEW

05:23:20 Bob Lake, Public Service commissioner, District 4, presented an update from the Public Service Commission (PSC).

05:23:55 Commissioner Lake discussed the terms and conditions of the Greycliff Wind Farm contract.

05:26:43 Commissioner Lake discussed the emergency suspension of the qualifying facility (QF) standard rate previously available to small solar projects granted to NorthWestern.

05:31:10 Commissioner Lake discussed Mountain Water Company.

05:33:23 Commissioner Lake discussed the Crazy Mountain Wind Farm project.

05:34:29 Commissioner Lake said there will be a hearing on NorthWestern Energy's gas rates.

05:35:16 Commissioner Lake discussed the railroad safety risk assessment.

05:37:43 Eric Sell, communications director, PSC, provided a copy of the PSC Chairman's mid-year report. **(Exhibit 18)**

Public Comment: None

Committee Questions and Discussion:

05:38:28 Rep. Pope asked Commissioner Lake about rate hearings.

05:39:59 Rep. Pope asked Commissioner Lake about hydropower.

CONSUMER COUNSEL OVERVIEW

05:41:47 Bob Nelson, Montana Consumer Counsel, presented an update on recent activities.
05:42:20 Mr. Nelson said the council is engaged in both electric and gas trackers with NorthWestern Energy.
05:42:48 Mr. Nelson discussed rate cases.
05:43:43 Mr. Nelson discussed the QF filings the council has been involved in.

Public Comment: None

Committee Questions and Discussion: None

HIGH-PERFORMANCE BUILDING PROGRAM UPDATE (17-7-214, MCA)

05:45:14 Russ Katherman, engineering manager, Architecture and Engineering Division, Department of Administration, provided an update on the high-performance building program required by HB 464 (2015).
05:47:44 Mr. Katherman discussed the agreement form developed in order to get agency commitment to the program. **(Exhibit 19)**
05:48:20 Mr. Katherman discussed the program document. **(Exhibit 20)**

Public Comment: None

Committee Questions and Discussion:

05:50:33 Rep. Pope asked Mr. Katherman about the potential impact of the program.
05:51:40 Rep. Steenberg asked Mr. Katherman about deferred maintenance issues.
05:53:32 Rep. Regier said that staff needs direction on continued reporting for the program.
05:53:43 Ms. Nowakowski said the ETIC needs to decide if it wants to continue with the reporting requirement.
05:54:10 Rep. Pope said he recommends that the ETIC receive the report biennially. Ms. Nowakowski said the reporting requirement is required by statute and would require a committee bill to change. Without objection, the ETIC directed staff to continue to receive the report.

WRAP-UP OF NET METERING, NG911, COLSTRIP, AND OTHER DISCUSSION

05:55:15 Rep. Regier opened the discussion.
05:55:37 Rep. Pope thanked staffed for its efforts with the meeting and thanked Sen. Ankney for his work on Colstrip.

05:56:53 Recess
06:03:17 Reconvene

RIDESHARING IN MONTANA

06:03:33 Justin Kraske, chief legal counsel, PSC, provided an update on the PSC's implementation of SB 396 (2015). **(Exhibit 21)**

06:07:23 Mr. Kraske provided information on the certificate of compliance applications it has received.

06:07:45 Mr. Kraske provided information on complaints and concerns the PSC has received since the law passed.

06:09:50 Mr. Kraske said in July the PSC presented the ETIC with its agency bill to completely deregulate passenger transportation service in Montana. The ETIC agreed to allow the draft to move forward for pre-introduction.

06:13:12 Mary Garcia, Montana Taxi Association, discussed concerns regarding SB 396 and public safety. **(Exhibit 22)**

06:21:50 Chuck Denowh, representing Uber Transportation, provided information on Uber in Montana.

Public Comment:

The following individuals commented on problems regarding Uber and SB 396:

06:24:52 Norma Duffy, owner, Cowboy Taxi, Dillon.

06:31:44 Barry Willson, owner, City Cab, Billings.

06:34:31 Randy Cowger, Glacier Taxi, Flathead County.

06:36:28 Vance Vanderpan, Greater Valley Taxi, Bozeman.

Committee Questions and Discussion:

06:42:48 Rep. Zolnikov said he signed up to be an Uber driver in order to see how it worked and where the impact would be and donated his profits to avoid a conflict of interest. He said he would not support a deregulation bill unless it includes the Montana Taxi Association as a stakeholder.

06:46:28 Rep. Regier asked Mr. Denowh about the requirements for Uber drivers.

06:47:16 Rep. Steenberg asked Mr. Denowh about Uber requirements for cars to be marked.

06:48:42 Rep. Regier asked Mr. Kraske why Uber is not held to the same standard as taxis.

06:49:54 Rep. Regier asked Mr. Kraske if the PSC's solution is to deregulate everything.

06:50:40 Rep. Regier asked Mr. Kraske if the PSC is notified when a person impersonates a taxi driver.

06:51:48 Rep. Regier asked Mr. Kraske if it is against the law to impersonate a taxi driver.

06:52:36 Sen. Connell asked Mr. Kraske about the penalty when a driver is cited by the PSC for not complying with agency regulation.

06:53:36 Sen. Connell asked Mr. Kraske if he feels the safety and welfare of the citizens of Montana are adequately protected against illegal activity by the penalty compared to the risk.

06:56:15 Sen. Connell asked Mr. Kraske about PSC oversight and authority under deregulation.

06:57:43 Sen. Connell said he encourages the PSC to discuss the issue of fraud with the Department of Justice and the Attorney General's office. Mr. Kraske said he will discuss the issue with the stakeholders.

07:02:11 Rep. Regier asked Sen. Connell if he would be willing to work on a bill draft with the PSC to address fraud. Sen. Connell said he would if it included the Department of Justice.

07:02:37 Rep. Steenberg said he encouraged the PSC to have a roundtable discussion with the stakeholders.
07:03:43 Rep. Pope said there needs to be a signage requirement in the Class E statute. Mr. Kraske said he thought there could be something done through rulemaking.
07:05:37 Rep. Regier asked Mr. Denowh about the popularity of Uber in Montana.

PUBLIC COMMENT ON MATTERS WITHIN THE JURISDICTION OF THE ETIC

None

INTERIM WRAP-UP

07:07:27 Rep. Regier opened discussion on the interim.
07:07:50 Sen. Larsen
07:08:29 Sen. Ankney
07:09:41 Rep. Zolnikov
07:10:02 Sen. Ankney
07:10:16 Rep. Regier

ADJOURN

07:11:47 Rep. Regier adjourned the meeting at 2:59 p.m.

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